

Before the **DOCKET FILE COPY ORIGINAL**
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)

Broadcast Television National)
Ownership Rules)

MM Docket No. 96-222

Review of the Commission's Regulations)
Governing Television Broadcasting)

MM Docket No. 91-221

Television Satellite Stations)
Review of Policy and Rules)

MM Docket No. 87-8

To: The Commission

COMMENTS OF VIACOM INC.

Viacom Inc. ("Viacom") respectfully submits these Comments in response to the *Notice of Proposed Rule Making* ("*Notice*") in the above-captioned proceedings.

I. INTRODUCTION

By this *Notice*, the Commission invites comments on matters that affect the national ownership rules, such as whether to continue exempting "satellite" stations, how to "count" local marketing agreements, and how to define a market. Viacom submits

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comments relating only to the broad issue of how to count television stations for purposes of calculating compliance with the national ownership limit.

Subsidiaries of Viacom hold licenses of eleven television stations, ten of which are UHF stations and nine of which are UPN affiliates. The Viacom stations reach approximately 19% of the nation's homes (approximately 10% by measure of the "UHF discount").¹ Viacom is also the 50%-owner of UPN, a nascent television network co-owned by a subsidiary of Chris-Craft Industries, Inc.² Viacom, through its Paramount Pictures subsidiary, and through its majority ownership of Spelling Entertainment Group also produces network programs and produces and distributes syndicated television programs, and engages in the distribution of off-network television product.³ Viacom is the indirect licensee of a station in the Hartford - New Haven - New Britain - Waterbury - New London market and, through an LMA, programs 27.5 hours per week of news and children's programming on another station in the market.

As noted in its comments in two companion rule making proceedings, one related to review of the broadcast attribution rules, *Further Notice of Proposed Rule Making* in MM Docket Nos. 94-150, 92-51 and 87-154, FCC 96-436 (released November 7, 1996), and the other related to the local television ownership rules, *Second Further Notice of*

¹ Those eleven stations are: WPSG(TV), Channel 59, Philadelphia; WSBK(TV), Channel 38, Boston; WBFS(TV), Channel 33, Miami; WDCA(TV), Channel 20, Washington, D.C.; WKBD(TV), Channel 50, Detroit; KTXH(TV), Channel 20, Houston; KTXA(TV), Channel 21, Dallas; WVIT(TV), Channel 30, Hartford; WTOG(TV), Channel 44, St. Petersburg; WUPA(TV), Channel 69, Atlanta; and KMOV(TV), Channel 4, St. Louis.

² The UPN network, through its affiliates, reaches 74% of the nation's households through primary affiliates and another 20% through secondary affiliates.

³ In addition, Viacom wholly owns several cable television networks, including MTV: Music Television, M2, VH1, Nickelodeon/Nick at Nite, Nick at Nite's TV Land, Showtime, The Movie Channel, Flix, and co-owns the USA Network, Comedy Central, Sci-Fi Channel, All News Channel and Sundance Channel.

Proposed Rule Making in MM Docket Nos. 91-221 and 87-8, FCC 96-438 (released November 7, 1996), Viacom advocates the tightening of the attribution rules and an accompanying relaxation in the local ownership rules. With respect to national ownership, Viacom believes that the Commission should count toward that limit each and every station "owned" (as defined by the attribution rules) by a party so as to best address the objective of the rule.

II. Calculating Compliance with the National Ownership Limits

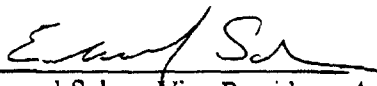
Effective March 15, 1996, the Commission, in response to the mandate of the Telecommunications Act of 1996, eliminated the cap on the number of television stations that one party could own nationwide and increased the audience reach limit from 25% to 35%. In calculating compliance with the nationwide audience reach rule, the Commission counts the percentage of nationwide viewers residing in a given station's DMA. Thus, the calculations encompass the total number of viewers within a station's reach, not the number of persons who actually view that particular station's programming. Calculations of nationwide reach, therefore, are predicated on a station's potential audience. Reality indicates that the viewers in a given market are splintered as to their viewing habits and that there is never a point in time at which *every* person in a DMA is tuned in to the very same television station. Consequently, when a broadcaster owns or controls two stations in a market, its reach increases as though it had entered a totally separate market and had new capacity to broadcast to an increased population.

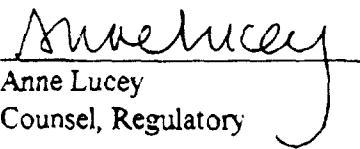
Viacom suggests, therefore, that in those cases where a combination is exempt or permitted by waiver of the local ownership rules, a broadcaster owning a second station or brokering a station under an LMA in the same market have each station counted against

its national ownership reach according to the rules presently in place. Thus, a VHF station which LMAs a second VHF station would increase its national reach by the full percentage of audience in that DMA; a VHF station which LMAs a UHF station would increase its national reach by 50% of the percentage of audience in that DMA; and a UHF station which LMAs a second UHF station also would increase its national reach by 50% of the percentage of audience in that DMA.

Respectfully submitted,

VIACOM INC


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February 7, 1997